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EASTERN EUROPEAN INTELLIGENCER

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26 January 1968

Devaluation of Bulgarian Currency Rumored

Widespread rumors of an imminent devaluation or exchange of Bulgarian currency have been circulating in Sofia since the beginning of the year.

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savings bank withdrawals have been restricted. The devaluation rumors were officially denied by the country's Finance Minister in a TV broadcast on 24 January, in an effort to pacify the Bulgarian population, already stunned by the January increase in consumer prices.

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COMMENT: The official denials probably will not have a great impact on the populace inasmuch as government figures denied in December the consumer price increases that were introduced in January. Since last September Bulgaria reportedly has tried without success to obtain hard currency credits from the Soviets to pay off short term debts to Western countries. Sofia may now be considering more drastic measures to ease their deteriorating financial position.

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GDR Mass Organizations Propose Cooperation With FRG Counterparts

Following up Walter Ulbricht's New Year suggestion that leaders of trade unions and other mass organizations meet to discuss disarmament and renunciation of nuclear weapons agreements, the East German trade union organization (FDGB) has proposed to its West German counterpart that they meet to begin across the board talks on "normalizing" relations between the two states.

On 13 January Politburo member Herbert Warnke, the chairman of the FDGB, proposed to the Federal Executive of the West German trade union organization that they start talks "in which they should strive for a new beginning for the peaceful co-existence ... of the two German states."

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The East German youth organization (FDJ) has already contributed its part to the East German campaign. On 16 January the East German news agency, ADN, reported that the Central Council of the FDJ had held talks with the Federal Executive of the West German Federation of Universities (SHB). ADN complained, however, that although many members of the SHB are in agreement with the FDJ, the SHB leaders are not prepared to conduct negotiations designed to remove obstacles to peaceful co-existence presented by the Bonn government--its sole representation claim, neo-Nazism, etc.

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#### Czechoslovakia May Get New Foreign Minister

Dr. Jiri Hajek, Minister of Education and Culture, received the Belgian Ambassador on 24 January for talks on cooperation in education.

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COMMENT: Hajek is frequently rumored to be the replacement for Foreign Minister David. Publicity for his meeting yesterday with the Belgian Ambassador may indicate that the rumors are true. Hajek was formerly Czechoslovak representative to the UN, where he did a lackluster job and was considered by his staff to be a Stalinist.

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#### Yugoslav Premier to Visit Turkey

Premier Mika Spiljak will pay an official visit to Turkey in February. He will be accompanied by Foreign Minister Nikezic.

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COMMENT: Yugoslav-Turkey relations have improved steadily over the past two years. Turkish Foreign Minister Caglayangil visited Belgrade in March 1967 and a parliamentary delegation toured Yugoslavia last September. The keys to the improvement are Yugoslavia's more palatable position on the Cyprus issue, the two nations mutual suspicion of the Greek regime, and Belgrade's belief that it might eventually woo Turkey away from NATO and into a more neutral position.

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### Hungary Signs 1968 Trade Protocol with Yugoslavia

A 1968 trade protocol between Hungary and Yugoslavia was signed on 11 January. It calls for a 25-30% increase in trade and an intensification of industrial cooperation. Yugoslavia's representative Teodosije Glisic pointed out that Hungary's reform of its economic mechanism encouraged further advancements in industrial cooperation. [REDACTED]

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COMMENT: The 25-30% increase in trade will not amount to much since Yugoslav trade represents only 2% of Hungary's total foreign trade.

### Travels of Todor

Bulgarian chief Todor Zhivkov's visit to Havana, which was announced in early November, will begin on 28 January, according to Canadian and Irish officials. The official party/government delegation will travel via Shannon and Gander and return to Sofia on 1 February. [REDACTED]

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COMMENT: Considering the cool state of relations between the USSR and Cuba and Bulgaria's faithfulness to Moscow, it seems likely that, in visiting Cuba, Zhivkov might be entrusted by the Kremlin with mediating the differences between Cuba and the USSR. Zhivkov has long been a champion of the International Communist Conference and will almost certainly attempt to create some enthusiasm in Havana for the February consultative meeting in Budapest.

Bulgaria apparently plans to continue its stepped up program for increased high level contacts throughout the world. In addition to his Cuba trip, Zhivkov has accepted invitations to visit Denmark, Turkey, India, and Tunisia in the coming months. All this globetrotting is designed, at least in part, to bolster world community confidence in Bulgaria as a separate national identity and a future trade partner.

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